

THE PRESIDENT'S INTELLIGENCE CHECKLIST

ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY

11 DECEMBER 1962

~~TOP SECRET~~

1. India-China

a. Galbraith reports that Nehru was in a tough and angry mood when he saw him Sunday night. He questioned whether Peiping was serious about pulling back and saw signs in the latest demands by the Chinese Communists that they were preparing to hit the Indians again.




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c. The Indians admit that they are forced to play for time. They would like to keep public excitement at a manageable level but also need to maintain enough tension to support their military buildup.

2. Congo

a. Adoula told Gullion yesterday that there would probably be dramatic developments within 24 hours.

b. He did not say what these might be.  that within Adoula's entourage support for the idea of a military coup, intended to forestall leftist gains, is gaining ground.

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3. Soviet economy

a. Khrushchev's avowal

[redacted] that he would find the wherewithal to expand agricultural output does not come out in the economic plan for the coming year. The plan, as outlined to the Supreme Soviet now meeting in Moscow, does not foresee any appreciable increase in government investment in agriculture.

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b. The planners have lowered their sights in the industrial sphere as well. The hoped-for increase in gross industrial production has been set at only 8 percent--the lowest rate since the Seven-Year Plan was inaugurated in 1959. Investment in this area is scheduled to increase by 9.9 percent, not a great deal above the low 8.1 percent increase which seems to have been accomplished this year.

c. Outlays for light industry and housing construction are scheduled to go up, but at modest rates. This in sectors of the economy where performance perennially falls short of plan.

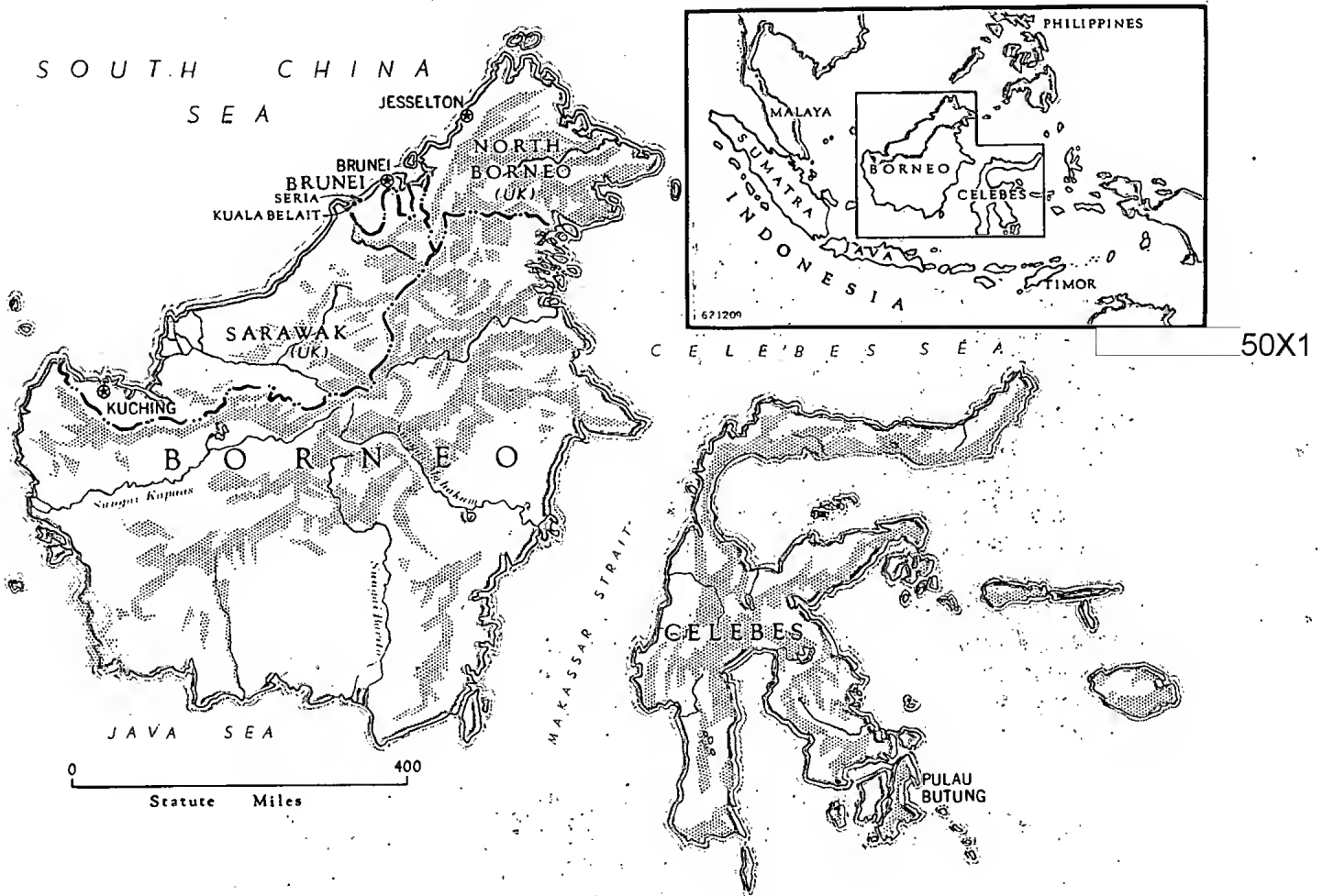
d. Overt military expenditures are up by 4 percent in the budget for next year, while outlays for science, much of which goes into missile and space research, are to increase by 9 percent.

4. Brazil

a. Ex-President Kubitschek forecasts collapse in his country "within six months" unless Goulart goes on from the presidential plebescite in January to make the hard economic decisions facing him. As of now, Goulart is evading these decisions in pursuit of a "fleeting" popularity.

b. Kubitschek, on the eve of his departure for Washington to talk about the Alliance for Progress, said there were two main problems--the Program's mechanism is too bureaucratic and there is a need for greater mutual confidence between the US and Latin Americans..

c. Kubitschek said he was not interested in seeing AFP economists on this trip--they do not have the authority to get the program moving. He wants to hit at the highest level of the government and may even propose that the President personally direct the entire program.



5. Brunei

[REDACTED]

[REDACTED] The attempt to drive the rebels from ground held in and around the oil-producing center of Seria seems to be making steady headway.

[REDACTED]

c. Manila is reacting gingerly. For the public record, the Filipino government is taking a neutral stance, but it is making no secret of the fact that it welcomes disruption of plans for the Malaysian Federation.. There is no good evidence of Filipino implication in the rebellion,

[REDACTED]

NOTES

- A. India-Pakistan Cabinet-level talks on Kashmir are due to get under way during the last week of December. The delegation heads have been named--Railways Minister Swaran Singh for India, and Minister of Natural Resources Bhutto for Pakistan--neither of them of enough stature to be given much of a free rein in the negotiations.
- B. US-UK Macmillan has indicated to Bruce that he regards the Indian question as foremost on the Nassau agenda and suggests that the President and he hear reports there from Harriman and Sandys.
- C. USSR-UAR Three Soviet Komar-class motor torpedo boats have just been delivered to the UAR--the first delivery of the kind outside the Bloc and Cuba.
- D. Saudi Arabia - UK A resumption of British-Saudi diplomatic relations, broken at the time of Suez, is close at hand. Mutual concern over developments in Yemen has given impetus to the negotiations.
- E. Yugoslavia-EEC The West Germans, who say they want to study the direction of Yugoslav foreign policy, have persuaded the EEC to pigeon-hole discussions on an EEC-Yugoslav economic arrangement until next spring. Belgrade, which is also contemplating renewed ties with the Bloc's joint economic agency, now has 30 percent of its trade with EEC members and is heavily dependent on them for foreign exchange.

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- F. Turkey-USSR The Turks, reporting a recent rash of Soviet overflights of their territory, conjecture that Moscow wants to make the point that its aircraft have as much business over Turkey as the US does over Cuba.

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DOCUMENT OF INTEREST



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